

November 4, 2003

Ref: 2874-21930

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-4275

Re: Hearing Application
Lower Wilcox Zone, Reservoir A
SOUTH BEARHEAD CREEK FIELD, Beauregard Parish, Louisiana
Applicant: KCS Resources, Inc.

Dear Mr. Commissioner:

Application is hereby made on behalf of KCS Resources, Inc. for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters regarding the Lower Wilcox Zone, Reservoir A, South Bearhead Creek Field, Beauregard Parish, Louisiana.

1. To permit applicant to drill, designate, utilize and operate the KCS Resources, Inc.-Dolby, et al No. 1 Well as a unit well for the Lower Wilcox Zone, Reservoir A, South Bearhead Creek Field, Beauregard Parish, Louisiana created by Office of Conservation Order No. 439-B-1, effective April 23, 1991 at the location shown on the attached plat or at any other location which is on leases owned by applicant and is in compliance with the well spacing provisions of Office of Conservation Order No. 439-B-1;
2. To additionally authorize KCS Resources, Inc. without the necessity of any additional hearings to permit and to drill and operate additional wells within the Lower Wilcox Zone, Reservoir A, South Bearhead Creek Field, Beauregard Parish, Louisiana, which was created by Office of Conservation Order No. 439-B-1, on leases owned by KCS Resources, Inc. in said unit. KCS Resources, Inc. shall be required to file with its drilling permit for such additional wells, written confirmation of the unit operator, either Hilliard Petroleum, Inc. or its successor, that said well is being drilled by KCS Resources, Inc. on leases owned by it in the unit.

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3. To continue Hilliard Petroleum, Inc. who presently owns and operates three (3) separate producing wells within the reservoirwide unit, the A. H. Irby No. 1 Well (Serial No. 121050); the R. D. Mercereau No. 1 Well (Serial No. 178635) and the Powell Lbr Co. No. 3 Well (Serial No. 215129), as the operator of said wells and of the unit under the order previously issued;
4. To find that, except to the extent contrary to the order granted by the Commissioner of Conservation in connection with the hearing held on this application, the provisions of Office of Conservation No. 439-B-1 shall remain in full force and effect, and
5. To consider such other matters which may be pertinent to this application as shown by the evidence presented at the hearing held on this matter.

The Lower Wilcox Zone, Reservoir A, South Bearhead Creek Field, Beauregard Parish, Louisiana was previously defined in Office of Conservation Order No. 439-B-1, effective April 23, 1991.

All royalty owners, overriding royalty owners or other persons with interests within the reservoirwide unit have been and will be paid in every well in the reservoirwide unit on the basis of their participation in the entire unit.

Attached hereto and made a part hereof is a plat outlining the Lower Wilcox Zone, Reservoir A, showing the location of the proposed new unit well together with a list of the names and addresses of all interested owners, interested parties and represented parties who are known to the applicant after reasonable search. A reasonable effort was made to ascertain the names and addresses of all such parties.

A copy of the list of the names and addresses of the interested owners, interested parties and represented parties is not being mailed to those parties along with this hearing application. Should any of these parties desire a copy of this list, however, we will be glad to provide one upon request.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. David Comeaux of Leon Comeaux & Associates, P. O. Box 53922, Lafayette, La 70505 (337) 233-9839.

Finally, there is enclosed our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, which represents the required hearing application fee.

Very truly yours,

William F. Bailey
William F. Bailey

WFB:ht

Enclosures

cc: Mr. Richard Hudson
District Manager

Interested Parties, Interested Owners
and Represented Parties on attached list

